GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:4081
ANSWERED ON:18.08.2000
ROYALTY TO PARENT FOREIGN COMPANY
JASWANT SINGH YADAV

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government have decided to re-examine the issue of allowing payment of royalty of 100 percent Indian subsidiaries to the parent foreign companies;

(b) if so, the detail thereof;

(c) whether the Foreign Investment Promotion Board has prepared any guidelines in this regard; and

(d) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY (DR. RAMAN SINGH)

(a) to (d) : Government continuously reviews Foreign Direct Investment policy.As per the extant policy, royalty cannot be paid by the 100% Indian subsidiaries to their parent foreign companies.